



Best Practices - Construction Loan  
Administration

Wednesday, August 31, 2022

2:30 – 3:30pm

# Panelists:

## ■ Charles Green, EVP, Highland Commercial Mortgage

- Charles has been with Highland since June 2016 and oversees the FHA Closing, Construction and Repair Escrow Administration groups. Prior to Highland, Charles was with Berkadia/Capmark/GMAC Commercial Mortgage as manager of FHA Construction Servicing along with a key role in Compliance and the Closing groups for over 15 years.

## ■ Ryan Duff, Vice President of FHA Construction, Berkadia

- Ryan joined Berkadia in June 2021 as Vice President of FHA Construction. Prior to joining Berkadia, Ryan spent 10 years at PGIM Real Estate establishing their international high yield business in Europe/Australia and managing their US construction platform, which included FHA, Fannie Mae, Freddie Mac, and conventional projects.

## ■ Larry Ferguson, Senior Construction Analyst, HUD

- Larry Ferguson works for the U.S. Department of Housing and Urban Development (HUD) as a Senior Construction Analyst, since 2001. Larry is certified as a Project Management Profession (PMP) and has earned degrees in Business Administration and Construction Science.

## ■ Rodney Rice, Senior Construction Analyst, HUD

- Rodney Rice has over 30 years of construction industry experience and has served in various capacities. He is currently a Construction Analyst with the Atlanta HUD Office and has been serving in this role with HUD for 11 years.

# Best Practices – Change Orders!

Important Take aways:

- Timely filing of Change Orders
- Proper Completion of the HUD-92437
  - Each line item (COR) contains Material(s), Labor plus GC/Overhead, etc.
  - Architect Justification shows Necessity, Betterment or Same
  - GC takes risks if starts work on proposed Change Order before approved
- Time Extensions
  - Must be consistent with Architect's Log
  - Supply Chain delays – reasonable presentation

# Best Practices – Permission to Occupy (PTO)

Important Take aways:

- Timely filing of PTO's
- Proper Completion of the HUD-92485
  - Attached CO (Temp or Perm) and proof of Permanent Insurance
  - Radon Test (<4.0pCi/L) – Follow MAP Guide testing protocol
  - All signatures obtained before submitting to Lender & HUD for approval

# Best Practices – Development Team

Important Take aways:

- Development team experience
  - Previous positive HUD experience with new construction
    - Architect, General Contractor, Developer, Management Agent
  - Financial /experience capacity for size of project
  - Understands the entire construction process
    - Pre-Construction Conference to Final Endorsement through the Warranty Period
  - Lender involvement with all parties for all phases of construction

# Best Practices – Miscellaneous

- Off-Site Storage
- Green MIP – the importance of timely inspections
- Projects significantly behind schedule
- Questions?